

2011 Property Tax Report

Parke County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Parke County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Parke County

The average homeowner saw a 13.1% tax bill decrease from 2010 to 2011.

Homestead taxes in 2011 were 53.5% lower than they were in 2007, before the property tax reforms.

94.0% of homeowners saw lower tax bills in 2011 than in 2007.

41.8% of homeowners saw tax decreases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 40% and 69% decrease in their tax bills from 2007 to 2011.

	<u>2010 to 2011</u>		<u>2007 to 2011</u>	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	406	11.2%	163	4.5%
No Change	282	7.8%	55	1.5%
Lower Tax Bill	2,934	81.0%	3,404	94.0%
Average Change in Tax Bill	-13.1%		-53.5%	
Detailed Change in Tax Bill				
20% or More	119	3.3%	94	2.6%
10% to 19%	52	1.4%	31	0.9%
1% to 9%	235	6.5%	38	1.0%
0%	282	7.8%	55	1.5%
-1% to -9%	1,514	41.8%	62	1.7%
-10% to -19%	695	19.2%	78	2.2%
-20% to -29%	186	5.1%	151	4.2%
-30% to -39%	140	3.9%	320	8.8%
-40% to -49%	118	3.3%	569	15.7%
-50% to -59%	115	3.2%	676	18.7%
-60% to -69%	59	1.6%	534	14.7%
-70% to -79%	29	0.8%	415	11.5%
-80% to -89%	24	0.7%	203	5.6%
-90% to -99%	16	0.4%	152	4.2%
-100%	38	1.0%	244	6.7%
Total	3,622	100.0%	3,622	100.0%

Note: Percentages may not total due to rounding.

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*LOWER TAX RATES AND
HIGHER LOCAL HOMESTEAD
CREDITS REDUCED
HOMEOWNER TAX BILLS,
DESPITE THE LOSS OF THE
STATE HOMESTEAD CREDIT*

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Homestead Property Taxes

Homestead property taxes decreased 13.1% on average in Parke County in 2011. This was less than the state average increase of 4.4%. Parke County homestead taxes were 53.5% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax decrease in 2011 was due to reductions in Parke County tax rates and a small increase in the local homestead credit. The phaseout of the state homestead credit in 2011 slightly reduced the effect of the falling tax rates. The state homestead credit was 4.5% in Parke County in 2010.

Tax Rates

Property tax rates declined in all Parke County tax districts. The average tax rate declined by 9.5% because of an increase in net assessed value coupled with a reduction in the levy. Levies in Parke County were reduced by 4.2%. The biggest levy reductions were in the Southwest Parke Community Schools debt service fund, in the Rockville Community Schools debt service and bus replacement funds, and in the Turkey Run Community Schools bus replacement fund. Parke County's total net assessed value increased 2.4% in 2011. (The certified net AV used to compute tax rates rose by 5.9%.) Homestead net assessments decreased by 2.3%, and agricultural net assessments grew by 2.4%. Other residential assessments showed a decrease of 3.3%, while business net assessments grew by 14.4%.

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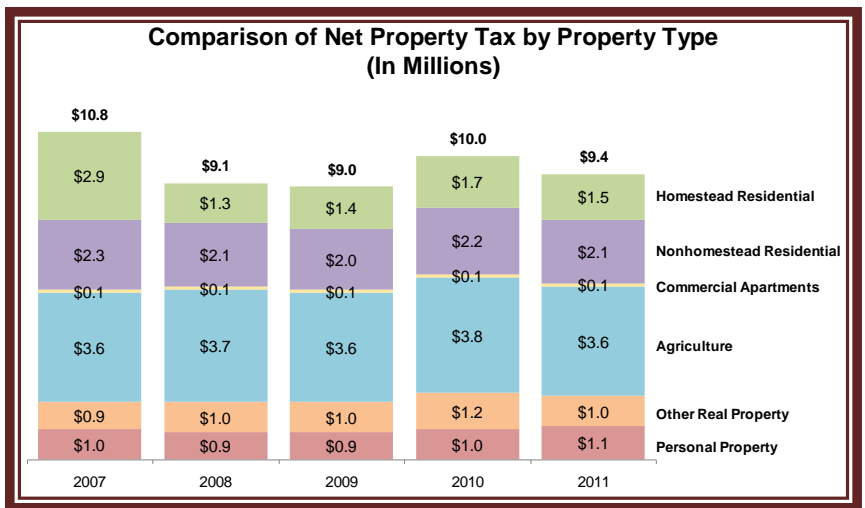
TAX REDUCTIONS FOR ALL

NONHOMESTEAD PROPERTY TYPES

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers fell 6.7% in Parke County in 2011, compared to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 5.5%. Tax bills for commercial apartments fell 22.5%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - decreased by 2.6%. These tax reductions reflect the decline in tax rates in Parke in 2011. Lower tax rates reduced agricultural tax bills by 5.7%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



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Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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TAX CAP CREDITS DECREASED IN 2011 AND REMAINED VERY SMALL

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Total tax cap credit losses in Parke County were \$35,251, or 0.3% of the levy. This was less than the state average loss rate of 9.2% and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Parke County's tax rates were lower than the state median.

About two-thirds of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the elderly category. Parke County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the towns of Montezuma and Rosedale and the Montezuma Library District. The largest dollar losses were in the Southwest Parke School Corporation, the town of Montezuma, and the county unit.

Parke County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$751	\$52,785	\$0	\$12,524	\$66,061	0.6%
2011 Tax Cap Credits	2	23,585	0	11,663	35,251	0.3%
Change	-\$750	-\$29,199	\$0	-\$861	-\$30,810	-0.3%

Tax cap credits decreased in Parke County in 2011 by \$30,810, or 47%. The reduced credits

represent a gain of 0.3% of the total tax levy. Most of the decrease in tax cap credits was in the 2% tax cap category, the result of lower tax rates. The reduction in tax rates nearly eliminated the circuit breaker credits in the 1% cap category for homesteads.

The Effect of Recession

The 2009 recession had a mixed effect on Parke County assessments for pay-2011. Homestead and other residential property values and construction activity appear to have declined in Parke County in 2009, but increases in business values and agricultural assessments more than offset this decline. Small increases in assessments could have increased rates, but Parke's levy fell substantially, so rates were reduced.

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2009 RECESSION HAD A MIXED EFFECT ON ASSESSMENTS IN 2011

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$443,511,480	\$433,082,270	-2.4%	\$175,848,635	\$171,889,863	-2.3%
Other Residential	131,338,900	127,095,100	-3.2%	130,689,607	126,405,191	-3.3%
Ag Business/Land	268,608,600	275,153,000	2.4%	267,944,804	274,455,502	2.4%
Business Real/Personal	157,632,980	180,105,865	14.3%	131,096,649	149,987,903	14.4%
Total	\$1,001,091,960	\$1,015,436,235	1.4%	\$705,579,695	\$722,738,459	2.4%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Parke County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	15,116,036	15,106,171	10,155,226	10,704,050	10,257,445	-0.1%	-32.8%	5.4%	-4.2%
State Unit	16,590	17,867	0	0	0	7.7%	-100.0%		
Parke County	3,343,634	3,297,229	2,955,925	2,924,104	2,924,993	-1.4%	-10.4%	-1.1%	0.0%
Adams Township	108,951	113,277	110,857	103,910	65,890	4.0%	-2.1%	-6.3%	-36.6%
Florida Township	76,991	130,036	98,952	107,647	70,441	68.9%	-23.9%	8.8%	-34.6%
Greene Township	9,977	10,008	10,055	9,890	9,403	0.3%	0.5%	-1.6%	-4.9%
Howard Township	5,366	5,356	5,375	5,352	5,264	-0.2%	0.4%	-0.4%	-1.6%
Jackson Township	17,461	18,159	18,230	36,965	17,985	4.0%	0.4%	102.8%	-51.3%
Liberty Township	9,452	13,754	13,614	13,480	13,293	45.5%	-1.0%	-1.0%	-1.4%
Penn Township	16,185	15,958	16,018	15,940	13,911	-1.4%	0.4%	-0.5%	-12.7%
Raccoon Township	28,646	32,113	32,454	32,093	31,633	12.1%	1.1%	-1.1%	-1.4%
Reserve Township	23,132	22,527	23,296	23,144	21,379	-2.6%	3.4%	-0.7%	-7.6%
Sugar Creek Township	0	15,033	11,825	11,081	10,266		-21.3%	-6.3%	-7.4%
Union Township	110,341	110,843	80,765	110,657	117,333	0.5%	-27.1%	37.0%	6.0%
Wabash Township	24,168	19,958	19,225	19,012	17,406	-17.4%	-3.7%	-1.1%	-8.4%
Washington Township	12,560	12,822	20,098	20,416	21,113	2.1%	56.7%	1.6%	3.4%
Bloomingtondale Civil Town	21,831	21,399	22,066	21,928	21,600	-2.0%	3.1%	-0.6%	-1.5%
Marshall Civil Town	21,338	20,835	21,335	21,291	20,966	-2.4%	2.4%	-0.2%	-1.5%
Montezuma Civil Town	98,992	91,203	99,517	97,151	95,767	-7.9%	9.1%	-2.4%	-1.4%
Rockville Civil Town	431,358	424,901	428,024	425,997	419,425	-1.5%	0.7%	-0.5%	-1.5%
Rosedale Civil Town	57,898	57,528	60,894	58,901	52,126	-0.6%	5.9%	-3.3%	-11.5%
Mecca Civil Town	7,171	6,779	4,934	4,934	4,909	-5.5%	-27.2%	0.0%	-0.5%
Clay Community School Corp	787,517	808,521	523,002	515,139	535,309	2.7%	-35.3%	-1.5%	3.9%
Southwest Parke Community School Corp	3,678,477	3,260,789	2,009,756	2,246,808	2,127,786	-11.4%	-38.4%	11.8%	-5.3%
Rockville Community School Corp	3,468,345	3,646,047	1,958,692	2,127,729	1,978,138	5.1%	-46.3%	8.6%	-7.0%
Turkey Run Community School Corp	2,523,348	2,719,093	1,393,470	1,533,804	1,447,773	7.8%	-48.8%	10.1%	-5.6%
Montezuma Public Library	32,919	31,624	33,325	32,851	32,371	-3.9%	5.4%	-1.4%	-1.5%
Rockville Public Library	183,388	182,512	183,522	183,826	180,965	-0.5%	0.6%	0.2%	-1.6%
West Central Indiana Solid Waste Mgt Dist	0	0	0	0	0				
Raccoon Creek Fire Protection Dist	0	0	0	0	0				

Parke County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates				LOIT Residential	Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		
61001	Adams Township	1.3682	5.1584%	--	11.0302%	--	--	--	1.1467
61002	Rockville Town	1.9580	5.1584%	--	57.1650%	--	--	--	0.7377
61003	Florida Township	1.7215	5.1584%	--	2.6149%	--	--	--	1.5877
61004	Rosedale Town	2.2721	5.1584%	--	6.6520%	--	--	--	2.0038
61005	Greene Township	1.0847	5.1584%	--	78.4837%	--	--	--	0.1774
61006	Howard Township	1.0857	5.1584%	--	38.9218%	--	--	--	0.6071
61007	Jackson Township	1.5500	5.1584%	--	2.3635%	--	--	--	1.4334
61008	Liberty Township	1.1013	5.1584%	--	28.1487%	--	--	--	0.7345
61009	Penn Township	1.1075	5.1584%	--	7.4991%	--	--	--	0.9673
61010	Bloomingtondale Town	1.3556	5.1584%	--	94.5742%	--	--	--	0.0036
61011	Raccoon Township	1.6963	5.1584%	--	7.2146%	--	--	--	1.4864
61012	Reserve Township	1.7340	5.1584%	--	66.2214%	--	--	--	0.4963
61013	Montezuma Town-Reserve Township	2.5012	5.1584%	--	9.9143%	--	--	--	2.1242
61014	Sugar Creek Township	1.1217	5.1584%	--	13.4751%	--	--	--	0.9127
61015	Union Township	1.2646	5.1584%	--	44.2541%	--	--	--	0.6397
61016	Wabash Township	1.6731	5.1584%	--	22.5559%	--	--	--	1.2094
61017	Montezuma Town-Wabash Township	2.4900	5.1584%	--	100.0000%	--	--	--	0.0000
61018	Mecca Town	1.7936	5.1584%	--	0.0449%	--	--	--	1.7003
61019	Washington Township	1.0990	5.1584%	--	100.0000%	--	--	--	0.0000
61021	Marshall Town	1.4227	5.1584%	--	57.3192%	--	--	--	0.5338

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Parke County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	2	23,585	0	11,663	35,251	10,257,445	0.3%
<i>TIF Total</i>	0	0	0	0	0	123,771	0.0%
<i>County Total</i>	2	23,585	0	11,663	35,251	10,381,216	0.3%
Parke County	0	3,956	0	2,982	6,939	2,924,993	0.2%
Adams Township	0	0	0	121	121	65,890	0.2%
Florida Township	0	36	0	115	152	70,441	0.2%
Greene Township	0	0	0	0	0	9,403	0.0%
Howard Township	0	0	0	5	5	5,264	0.1%
Jackson Township	0	0	0	32	32	17,985	0.2%
Liberty Township	0	0	0	7	7	13,293	0.1%
Penn Township	0	0	0	2	2	13,911	0.0%
Raccoon Township	0	0	0	55	55	31,633	0.2%
Reserve Township	0	159	0	15	173	21,379	0.8%
Sugar Creek Township	0	0	0	20	20	10,266	0.2%
Union Township	0	0	0	67	67	117,333	0.1%
Wabash Township	0	2	0	6	7	17,406	0.0%
Washington Township	0	0	0	1	1	21,113	0.0%
Bloomington Civil Town	0	0	0	4	4	21,600	0.0%
Judson Civil Town	0	0	0	0	0	0	
Marshall Civil Town	0	0	0	21	21	20,966	0.1%
Montezuma Civil Town	0	6,137	0	464	6,601	95,767	6.9%
Rockville Civil Town	0	0	0	558	558	419,425	0.1%
Rosedale Civil Town	0	1,267	0	89	1,355	52,126	2.6%
Mecca Civil Town	0	0	0	0	0	4,909	0.0%
Clay Community School Corp	0	0	0	955	955	535,309	0.2%
Southwest Parke Community Sch Corp	1	11,487	0	2,922	14,410	2,127,786	0.7%
Rockville Community School Corp	0	0	0	2,290	2,290	1,978,138	0.1%
Turkey Run Community School Corp	0	0	0	588	588	1,447,773	0.0%
Montezuma Public Library	0	542	0	44	586	32,371	1.8%
Rockville Public Library	0	0	0	301	301	180,965	0.2%
W Central Indiana Solid Waste Mgt Dist	0	0	0	0	0	0	
Raccoon Creek Fire Protection Dist	0	0	0	0	0	0	
TIF - Adams Township	0	0	0	0	0	0	
TIF - Rockville Town	0	0	0	0	0	30,172	0.0%
TIF - Reserve Township	0	0	0	0	0	35,185	0.0%
TIF - Union Township	0	0	0	0	0	26,342	0.0%
TIF - Wabash Township	0	0	0	0	0	4,947	0.0%
TIF - Washington Township	0	0	0	0	0	27,125	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.